0 60020
1-31-92 Q 36585
92871643

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

BEST COPY AVAILABLE

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

K
92-2243

For the quarterly period ended February 1, 1992
OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

PROCESSED BY
203-22-Z
MAR 10 1992
120
Microfilmed by
Q-Data Corp. - St. Petersburg, Fl.

For the transition period from _____ to _____

Commission file number 33-6192

R. H. Macy & Co., Inc. /New/
(Exact name of registrant as specified in its charter)

Delaware	13-3324058
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

151 West 34th Street, New York, New York 10001
(Address of principal executive offices) (Zip Code)

(212) 560-4249
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES X NO _____

MAR 17 19
RECD S.E.C.

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

YES _____ NO _____ Not Applicable

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

At February 29, 1992, there were 1,616,700 shares of the issuer's common stock outstanding.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

R. H. MACY & CO., INC.
(DEBTOR-IN-POSSESSION)

AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)
(Dollars in thousands, except per share)

	For the Quarter Ended		For the Six Months Ended	
	February 1, 1992 (13 weeks)	February 2, 1991 (14 weeks)	February 1, 1992 (26 weeks)	February 2, 1991 (27 weeks)
Net retail sales (including licensed departments) (Note 11)	$ 2,055,875	$ 2,196,235	$ 3,657,146	$ 3,742,335
Less:				
Cost of goods sold, including occupancy and buying costs	1,680,002	1,518,152	2,756,074	2,552,758
Selling, general and administrative expenses	590,748	495,580	1,113,240	925,769
Unusual items (Note 8)	284,926	-	314,926	-
Earnings/(loss) from operations before interest expense and reorganization expenses	(499,801)	182,503	(527,094)	263,808
Interest expense - net (Notes 2 and 4)	68,913	178,295	196,976	358,829
Earnings/(loss) before reorganization expenses	(568,714)	4,208	(724,070)	(95,021)
Reorganization expenses (Note 3)	102,861	-	102,861	-
Earnings/(loss) before income taxes/(benefit) and extraordinary gain	(671,575)	4,208	(826,931)	(95,021)
Income taxes/(benefit) (Note 9)	-	11,504	-	(21,022)
Net loss before extraordinary gain	(671,575)	(7,296)	(826,931)	(73,999)
Extraordinary gain (net of tax) (Note 10)	-	85,337	-	95,502
Net earnings/(loss)	$ (671,575)	$ 78,041	$ (826,931)	$ 21,503
Net earnings/(loss) per share of common stock (Note 12):				
Net loss before extraordinary gain	$ (417.57)	$ (9.12)	$ (518.42)	$ (53.87)
Extraordinary gain, net	-	52.22	-	58.45
Net earnings/(loss) per share of common stock	$ (417.57)	$ 43.10	$ (518.42)	$ 4.58
Fully diluted net earnings/(loss) per share:				
Net loss before extraordinary gain		$ (0.66)		$ (7.25)
Extraordinary gain, net		7.67		9.36
Fully diluted net earnings/(loss) per share		$ 7.01		$ 2.11

See notes to condensed consolidated financial statements.

R. H. MACY & CO., INC.
(DEBTOR-IN-POSSESSION)

AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Dollars in thousands)	For the Six Months Ended	
	February 1, 1992	February 2, 1991
	(26 weeks)	(27 weeks)
OPERATING ACTIVITIES:		
Net loss before extraordinary gain	$ (826,931)	$ (73,999)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:		
Items not requiring the outlay of cash:		
Depreciation and amortization	142,722	143,045
Non-cash interest	2,178	66,431
Reorganization expenses	92,920	-
Write-off of excess of cost over fair value of net assets acquired	241,452	-
Other	3,474	21,682
Decrease in working capital (excluding cash and cash equivalents and current portion of debt instruments)	656,646	112,731
Changes in assets and liabilities:		
Decrease in working capital due to reorganization activities	(795,742)	-
Decrease in other liabilities due to reorganization activities	(69,669)	-
Income tax expense - extraordinary gain	-	(69,157)
Other	9,869	(1,973)
Net cash provided by (used for) operating activities	(543,081)	198,760
INVESTING ACTIVITIES:		
Additions to property and equipment	(137,237)	(87,228)
Net cash used for investing activities	(137,237)	(87,228)
FINANCING ACTIVITIES:		
Net reduction in long-term debt and obligations under capitalized leases	(36,752)	(282,235)
Proceeds from issuance of preferred stock	-	162,180
Increase (decrease) in short-term borrowings	(127,701)	18,598
Deferral of debt due to reorganization activities	(3,595,636)	-
Decrease in preferred stock due to reorganization activities	(637,315)	-
Other	(308)	(924)
Net cash used for financing activities	(4,397,712)	(102,381)
CASH FLOW EFFECT OF REORGANIZATION ACTIVITIES:		
Increase in obligations subject to settlement under reorganization proceedings	5,098,362	-
Cost of debtor-in-possession financing	(15,000)	-
Net cash flow effect of reorganization activities	5,083,362	-
INCREASE IN CASH AND CASH EQUIVALENTS	5,332	9,151
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	51,950	53,286
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 57,282	$ 62,437

Supplemental information

Amounts in this statement of cash flows are presented on a cash basis and may differ from those in other sections of this report.

Interest amounts paid (excluding interest expense capitalized during construction) for the six months ended February 1, 1992 and February 2, 1991 were $194,607,000 and $301,069,000. Income tax refunds net of taxes were $2,593,000 in the six months ended February 1, 1992 and income taxes paid net of refunds were $27,804,000 in the six months ended February 2, 1991.

Outstanding convertible preferred stock (redeemable) increased through related charges to the deficiency in net assets by $20,316,000 and $14,024,000 in the six months ended February 1, 1992 and February 2, 1991.

MMGC 3 of 49

R. H. MACY & CO., INC.
(DEBTOR-IN-POSSESSION)

AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

(Dollars in thousands)

ASSETS	February 1, 1992	February 2, 1991	August 3, 1991
		(Unaudited)	
CURRENT ASSETS:			
Cash and cash equivalents	$ 57,282	$ 62,437	$ 51,950
Restricted cash	-	71,324	-
Customer accounts receivable - net (Note 4)	-	1,532,079	-
Merchandise inventories (Note 5)	1,011,177	1,293,798	1,452,746
Other current assets	122,204	156,630	197,964
TOTAL CURRENT ASSETS	1,190,663	3,116,268	1,702,660
EXCESS OF COST OVER FAIR VALUE OF NET ASSETS ACQUIRED (Note 8)	-	248,248	244,850
OTHER ASSETS	203,796	220,219	184,822
PROPERTY AND EQUIPMENT (including capitalized leases), at cost, less accumulated depreciation of $904,373, $768,647 and $835,726 (Note 3)	2,626,865	2,691,188	2,679,283
	$ 4,021,324	$ 6,275,923	$ 4,811,615
LIABILITIES AND DEFICIENCY IN NET ASSETS			
CURRENT LIABILITIES:			
Short-term borrowings (Notes 2, 4 and 6)	$ -	$ 702,846	$ 242,810
Accounts payable and accrued liabilities (Note 2)	350,069	868,914	1,006,494
Income taxes (Note 9)	-	81,180	-
Current portion of long-term debt and obligations under capitalized leases (Notes 2 and 4)	-	479,820	81,225
TOTAL CURRENT LIABILITIES	350,069	2,132,760	1,330,529
OBLIGATIONS SUBJECT TO SETTLEMENT UNDER REORGANIZATION PROCEEDINGS (Note 2)	5,098,362	-	-
DEFERRED CREDITS AND LONG-TERM LIABILITIES (Note 2)	139,304	240,635	247,630
LONG-TERM DEBT (including obligations under capitalized leases) (Notes 2 and 4)	-	3,895,501	3,374,004
CONVERTIBLE PREFERRED STOCK (REDEEMABLE) (Note 2)	-	565,141	609,111
DEFICIENCY IN NET ASSETS:			
Common stock	1,750	1,750	1,750
Deficit	(1,596,828)	(558,706)	(750,251)
Less:			
Treasury shares, at cost	(1,333)	(1,158)	(1,158)
DEFICIENCY IN NET ASSETS	(1,596,411)	(558,114)	(749,659)
	$ 4,021,324	$ 6,275,923	$ 4,811,615

See notes to condensed consolidated financial statements.

R. H. MACY & CO., INC. (DEBTOR-IN-POSSESSION)

AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QUARTERS AND SIX MONTHS ENDED FEBRUARY 1, 1992 (13 WEEKS AND 26 WEEKS)

AND FEBRUARY 2, 1991 (14 WEEKS AND 27 WEEKS)
(Unaudited)

1. The accompanying notes to condensed consolidated financial statements should be read in conjunction with the notes to consolidated financial statements included in the annual report on Form 10-K for the fiscal year ended August 3, 1991 for R.H. Macy & Co., Inc. (the "registrant") and its consolidated subsidiaries (together with the registrant, "Macy") filed with the Securities and Exchange Commission. In the opinion of management, all adjustments necessary for a fair presentation of the results of operations for the interim periods have been included. Because of the seasonal nature of the business, results for interim periods are not necessarily indicative of a full year's operations.

2. On January 27, 1992, the registrant, together with nine of its subsidiaries, filed voluntary petitions for reorganization under chapter 11 ("Chapter 11") title 11 of the United States Code, as amended (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). On January 31, 1992, 78 additional subsidiaries each commenced a Chapter 11 case in the Bankruptcy Court. The registrant and all such subsidiaries that filed a Chapter 11 case in Bankruptcy Court are herein defined collectively as the "Macy Debtors" and are currently operating their respective businesses as debtors-in-possession. Two official creditor committees have been appointed and are expected to participate in the formulation of any plan or plans of reorganization for the Macy Debtors. See Part II, Item 1 ("Legal Proceedings") of this report.

The condensed consolidated financial statements of Macy have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes continuity of operations and the realization of assets and liquidation of liabilities in the ordinary course of business. As a result of the Chapter 11 cases and circumstances relating to this event, including Macy's leveraged debt structure, recurring losses and current economic conditions, such realization of assets and liquidation of liabilities are subject to significant uncertainty. Additionally, the amounts reported on the statement of financial condition could materially change because of a plan of reorganization, since such reported amounts do not give effect to adjustments to the carrying value of the underlying assets or amounts of liabilities that may ultimately result.

Generally, actions to enforce or otherwise effect the repayment of prepetition liabilities are stayed while the Macy Debtors are under the protection of the Bankruptcy Code. These liabilities will be resolved as part of the reorganization proceedings. Additional liabilities subject to similar resolution may arise as a result of claims filed by parties related to the rejection of any executory contracts, including unexpired leases, and from the Bankruptcy Court's determination of allowed claims for contingencies and other disputed amounts.

On January 29, 1992, the Bankruptcy Court entered an interim order approving the debtor-in-possession financing arrangement (the "Post-Petition Credit Agreement") dated as of January 27, 1992, among the registrant, as Borrower, each of the other Macy Debtors as guarantors, Chemical Bank, as administrative agent, and Bankers Trust Company as co-agent, and other financial institutions to become parties thereto, (the "Post-Petition Lenders") that established a working capital facility, (the "Working Capital Facility") in the maximum amount of $600,000,000. This interim order limited the registrant borrowing thereunder to $60,000,000; a subsequent order was entered on February 13, 1992 authorizing the registrant to borrow up to the entire $600,000,000 available under the Working Capital Facility. Borrowings under the Working Capital Facility may be used to fund working capital, inventory purchases, capital expenditures and for other general corporate purposes of the Macy Debtors. The Post-Petition Credit Agreement includes restrictions on capital expenditures and certain other payments, as well as a covenant relating to minimum cash flow.

Under the Post-Petition Credit Agreement, the Post-Petition Lenders agree to make revolving loans to, and to issue letters of credit for the registrant in an amount not exceeding at any time the lesser of the Borrowing Base (as defined in the Post-Petition Credit Agreement) and $600,000,000. The Working Capital Facility includes a sublimit of $250,000,000 for standby and documentary letters of credit, of which no more than $30,000,000 may be utilized for standby letters of credit. Each subsidiary of the registrant that commenced a Chapter 11 case is a guarantor of the registrant's obligations under the Post-Petition Credit Agreement.

The Post-Petition Credit Agreement provides that advances made under the Working Capital Facility will bear interest at a rate of 1.5% percent per annum in excess of Chemical Bank's Alternative Base Rate, ("ABR"), or at the registrant's option, at a rate of 2.5% per annum in excess of the reserve adjusted London Interbank Offered Rate ("LIBOR") for interest periods of one, three, or six months. Interest on ABR loans and three and six month LIBOR loans are payable quarterly in arrears; and interest on one month LIBOR loans are payable monthly in arrears.

Under the Post-Petition Credit Agreement, the registrant pays a commitment fee of 1/2 of 1% per annum on the unused portion of the Working Capital Facility, a letter of credit fee equal to 2% per annum of average outstanding letters of credit and certain other fees. The Post-Petition Credit Agreement expires on the earlier of February 28, 1994 or the substantial consummation of a plan of reorganization which is confirmed pursuant to an order entered by the Bankruptcy Court. Under the Post-Petition Credit Agreement, Post-Petition Lenders were granted a superpriority claim status for all obligations of the Macy Debtors arising under that agreement.

Substantially all of Macy's pre-petition short and long-term debt at February 1, 1992 is in default of the terms of the applicable loan agreements and is subject to settlement under the reorganization process. For financial reporting purposes, these liabilities which are dependent upon the outcome of the Chapter 11 process have been segregated and reclassified as "Obligations Subject to Settlement Under Reorganization Proceedings". Payment of certain pre-petition liabilities that were approved for payment by the Bankruptcy Court or are pending approval have been included in the appropriate liability captions.

The estimated petition date liabilities that are subject to settlement as part of a plan of reorganization are listed below.

	As of the Petition Date
Accounts payable and accrued liabilities	$ 720,846,000
Accrued interest on long-term debt	74,896,000
Collateralized debt	2,330,253,000
Unsecured debt	1,265,383,000
Convertible Preferred Stock (Redeemable)	637,315,000
Other Liabilities	69,669,000
	$5,098,362,000

Generally, interest on pre-petition debt does not accrue after the commencement of the Chapter 11 case. If the debts are secured by property with a value that is greater than the amount of the debt, interest may accrue up to the value of the collateral. For financial statement purposes and conservatism only, interest expense on secured debt will continue to be accrued but is subject to settlement. No determination has been made regarding the value of the property interests which secure certain debt and, consequently, whether interest thereon will be paid. Macy has ceased accruing interest expense on its unsecured debt. Contractual interest not recorded on such unsecured debt aggregated $2,769,000 in the quarter and six months ended February 1, 1992.

Commencing on the Chapter 11 filing date, the registrant ceased accruing dividends on its Convertible Preferred Stock (Redeemable) and has included the Convertible Preferred Stock (Redeemable) and the cumulative accrued but unpaid dividends on such stock in "Obligations Subject to Settlement Under Reorganization Proceedings".

Long-term debt does not include $5,000,000 of 14-1/2% Senior Subordinated Debentures, $241,931,000 of 14-1/2% Subordinated Debentures and $187,769,000 of 16-1/2% Junior Subordinated Discount Debentures purchased in fiscal 1991 by Macy Financial Inc. ("MFI"), a wholly-owned subsidiary of the registrant and also a debtor-in-possession. The capital stock of MFI, as well as such debentures were pledged to the pre-petition banks under the Pre-Petition Bank Credit Agreement.

3. Reorganization expenses in the quarter and six months ended February 1, 1992 primarily relate to (a) the estimated costs associated with the closing of certain stores ($76,000,000), (b) the write-off of deferred debt expenses associated with unsecured long-term debt ($16,307,000) and (c) the write-off of Preferred Stock issuance costs ($8,280,000).

Macy, based on the results of its ongoing store evaluation program, may record additional charges with respect to store closings.

4. On May 10, 1991, Macy Credit Corp. ("Credit") and Macy Receivables Funding Corp. ("Funding Corp."), wholly-owned subsidiaries of the registrant, sold all of the consumer credit card accounts originated by its department store subsidiaries (the "Operating Companies"), and all receivables existing under such accounts, to General Electric Capital Corporation ("GE Capital") or its subsidiary, Monogram Bank, USA ("Monogram" and, collectively with GE Capital, "GE/Monogram"), pursuant to an Account Purchase Agreement and a Commercial Accounts Agreement, for an aggregate purchase price of $1,390,654,000 (including $61,131,000 of debt assumption) ("Receivable Transaction"). Additionally, the registrant and certain of its subsidiaries, including the Operating Companies, entered into ongoing arrangements with GE/Monogram pursuant to which, among other things, GE/Monogram established (and will continue to establish) credit card accounts with customers of the Operating Companies, and assumed the responsibility for financing and servicing credit card receivables generated in such accounts.

GE/Monogram continues to make remittances and perform other obligations under the applicable agreements in the ordinary course of business. Certain Bankruptcy Court proceedings are pending with respect to these arrangements; See Part II, Item 1 ("Legal Proceedings") of this report.

The statement of operations for the quarter and six months ended February 2, 1991 includes the effects of prior credit card receivables related activities of Macy.

For comparison purposes, presented below are the unaudited pro forma results of operations for the comparable quarter and six month period in the prior year assuming the sale of receivables and accounts and the ongoing arrangements had occurred prior to the beginning of the respective periods:

	For the Quarter Ended February 2, 1991	For the Six Months Ended February 2, 1991
Net retail sales	$ 2,196,235,000	$ 3,742,335,000
Operating profit	$ 142,848,000	$ 178,207,000
Earnings/(loss) before income tax expense/(benefit)	$ 4,808,000	$ (101,766,000)
Income tax expense/(benefit)	11,756,000	(23,855,000)
Net loss before extraordinary gain	$ (6,948,000)	$ (77,911,000)
Net loss per share of common stock before extraordinary gain	$ (8.91)	$ (56.26)

The adjustments necessary to present the unaudited pro forma results of operations for the prior year's quarter and six months on a comparable basis with the current quarter are as follows: (i) the elimination of finance charge income and bad debt expense, (ii) the addition of the discount charged by GE/Monogram for remittances in respect of new credit card sales (Items (i) and (ii) result in a net reduction of operating profit by approximately $39,655,000 and $85,601,000 for the quarter and six month periods), (iii) the reduction in interest expense (approximately $40,255,000 and $78,856,000 for the quarter and six months periods), (iv) an adjustment to reflect income taxes on a pro forma basis and (v) the elimination of the extraordinary gain net of income tax expense.

The pro forma amounts are provided for informational purposes only and should not be construed to be indicative of actual results that would have been achieved had the Receivable Transaction and the related arrangements occurred prior to the commencement of the fiscal quarter and are not necessarily indicative of future results.

5. The value of merchandise inventories is determined by the retail inventory method using the lower of LIFO (last-in, first-out) cost or market for about 74% of the total inventory, and the retail inventory method using the lower of FIFO (first-in, first-out) cost or market for the balance of the inventory. If inventories had been valued at the lower of FIFO cost or market, inventories would have increased by $121,591,000, $96,008,000 and $111,591,000 at February 1, 1992, February 2, 1991 and August 3, 1991.

6. Macy's requirement to reduce its outstanding borrowings under the Macy Revolving Credit Facility under its Pre-Petition Bank Credit Agreement was amended such that during the sixty days beginning on December 16, 1991 and ending on February 13, 1992, the outstanding Revolving Credit Facility borrowings was not to be greater than $150,000,000 nor less than $1,000,000 for one period of 30 consecutive days and, further, for one period of 7 consecutive days within this 30 day period, was not to be greater than $75,000,000 nor less than $1,000,000. The registrant met this requirement; however, this amendment is of no continuing significance as the Macy Debtors have filed Chapter 11 cases, and are in default of the Pre-Petition Bank Credit Agreement.

7. The finance subsidiaries of the registrant for receivables financing previously included Credit, Funding Corp., R. H. Macy Overseas Finance N.V. and Macy Receivables Master Servicing Corp.

In May, 1991, Credit and Funding Corp. sold all of the credit card accounts originated by the Operating Companies and all receivables existing under such accounts to GE/Monogram. All agreements between these finance subsidiaries and the Operating Companies related to the purchasing and servicing of receivables were terminated as of the closing of the Receivable Transaction and all operations of these finance subsidiaries ceased. Therefore, the summarized unaudited combined results of operations of the finance subsidiaries are only presented for the quarter and six months ended February 2, 1991 of the prior fiscal year.

The summarized unaudited combined actual results of operations of the named finance subsidiaries follow:

(Dollars in thousands)	For the Quarter Ended February 2, 1991 (14 weeks)	For the Six Months Ended February 2, 1991 (27 weeks)
Revenue (substantially earnings on investment in receivables under deferred payment accounts received from the registrant and finance charge income)	$112,367	$211,575
Earnings before income taxes	27,894	59,285
Net earnings	16,600	34,789

8. The unusual item in the quarter ended February 1, 1992 primarily relates to the write-off of remaining excess of cost over fair value of the net assets acquired during the 1986 Acquisition of Former Macy (the "Acquisition") and the 1988 acquisition of the I. Magnin and the Bullocks's /Bullock's Wilshire divisions of Federated Department Stores, Inc. (the "New Divisions") ($241,452,000) (see below) and the one-time costs incurred for Macy's organizational realignment. Effective February 2, 1992, Macy created two larger regional department store groups, Macy's East and Macy's West. Macy's East consists of the Macy's Northeast stores as well as the stores of Macy's South located in Alabama, Florida, Georgia, Louisiana and South Carolina. Macy's West consists of the Macy's California and Bullock's stores as well as the stores of Macy's South located in Texas. I. Magnin was not affected by the realignment.

The unusual items in the six months ended February 1, 1992 primarily relate to (a) the write-off of remaining excess of cost over fair value of the net assets acquired during the Acquisition and the 1988 acquisition of the New Divisions ($241,452,000), (b) the organizational realignment described above and (c) the costs incurred in the one-time liquidation of certain aged inventory in temporary inventory liquidation facilities during the quarter ended November 2, 1991. This event was a result of Macy's modification in inventory management policy for the department stores which led to the establishment of its new inventory closeout operation, Macy's Closeout.

The excess cost over fair value of the net assets acquired resulted from the purchase price paid in 1986 for the Acquisition and in 1988 for the New Divisions. As a result of Macy's recent operating performance, its overall decline in financial condition, current economic conditions and an assessment of the prospects for specific stores, it appears that future sales, earnings and cash flow amounts do not substantiate Macy's continuing to carry this value on its statement of financial condition. Therefore, Macy has written-off as of February 1, 1992 the remaining excess of cost over fair value of the net assets acquired.

9. The reconciliation of taxes on income at the federal rate to the actual amounts provided is as follows:

(Dollars in thousands)	For the Quarter Ended		For the Six Months Ended	
	February 1, 1992 (13 weeks)	February 2, 1991 (14 weeks)	February 1, 1992 (26 weeks)	February 2, 1991 (27 weeks)
Tax expense/(benefit) computed at federal tax rate of 34%:	$ -	$ 1,431	$ -	$(32,307)
Increase (decrease) resulting from:				
Depreciation and amortization of step-up of net assets (not deductible for tax purposes)	-	9,736	-	18,887
State and local income tax expense/(benefit), net of federal tax	-	333	-	(7,526)
Other - net	-	4	-	(76)
	$ -	$11,504	$ -	$(21,022)

Under current accounting rules, an income tax benefit cannot be recognized for the loss incurred in the quarter and six months ended February 1, 1992 since the benefit is not expected to be recovered as an income tax cash refund or savings currently or in the near future. The income tax benefit not recognized will be carried forward to offset potential future earnings.

10. In the quarter and six months ended February 2, 1991, the extraordinary gain primarily relates to the gain on the repurchase of subordinated indebtedness by the registrant or its subsidiary at a discount, net of income tax expense.

11. Net retail sales include sales from licensed departments of $24,715,000 and $28,234,000 for the quarters ended February 1, 1992 and February 2, 1991 and $46,963,000 and $51,075,000 for the six months ended February 1, 1992 and February 2, 1991.

12. Net earnings/(loss) per share of common stock is computed by dividing net earnings/(loss) attributable to common stock (net earnings/(loss) less/(plus) the accrued dividends and accretion on the convertible preferred stock (redeemable)) by the weighted average number of shares outstanding during the period. Macy has ceased accruing dividends on the convertible preferred stock as of January 27, 1992. Fully diluted earnings per share is computed by dividing net earnings by the weighted average number of shares outstanding during the period assuming the conversion of convertible preferred stock (redeemable) into common stock. The effect of the assumed conversion of the convertible preferred stock (redeemable) on net earnings/(loss) per share for the quarter and six months ended February 1, 1992 is antidilutive and therefore not presented.

13. Certain reclassifications have been made to the February 2, 1991 financial statements to conform to classifications used at February 1, 1992.

Item 2. Management's Discussion and Analysis of Financial Condition and Results

Results of Operations

Chapter 11 Filing

On January 27, 1992, the registrant together with nine of its subsidiaries, filed for relief under Chapter 11 of the Bankruptcy Code. Thereafter, on January 31, 1992, 78 additional subsidiaries of the registrant filed Chapter 11 cases in the Bankruptcy Court. Under Chapter 11, the Macy Debtors will continue to conduct business in the ordinary course under the protection of the Bankruptcy Code while a reorganization plan is developed to restructure and reorganize the leveraged debt structure and allow the Macy Debtors to strengthen their financial position.

As a result of the Chapter 11 cases, interest expense will be reduced as Macy has ceased accruing interest expense on unsecured debt obligations. In contrast, results will be affected unfavorably by the administrative and reorganization expenses resulting from the commencement of the Chapter 11 cases. Additionally, future results may be adversely affected by other claims and factors resulting from the Chapter 11 cases.

Sale of Accounts and Receivables

The sale of accounts and receivables to GE Capital or its subsidiary, Monogram ("Receivable Transaction") and the related arrangements have significant effects on certain expense items and limit the comparability of the results of operations and expense classifications for all periods prior to the May 10, 1991 sale date (See Note 4 of Notes to the Condensed Consolidated Financial Statements).

As a result of the Receivable Transaction, operations and expense classifications have been affected as follows: (i) selling, general and administrative expenses increase as finance charge income (which was previously recorded as a reduction of this expense classification) and bad debt expense is eliminated, and the discount charged by GE/Monogram on new credit card sales is included and (ii) interest expense decreases as the expense of financing new credit card receivables is borne by GE/Monogram. GE/Monogram continues to make remittances and perform other obligations under the applicable agreements in the ordinary course of business. Certain Bankruptcy Court proceedings are pending with respect to these arrangements; See Part II, Item 1 ("Legal Proceedings") of this report.

Comparison of Operations

Sales for the quarter (13 weeks) and six months (26 weeks) ended February 1, 1992 were $2,055,875,000 and $3,657,146,000 compared with sales of $2,196,235,000 and $3,742,335,000 for the quarter (14 weeks) and six months (27 weeks) ended February 2, 1991. Sales decreased 6.4% and 2.3% for the quarter and six months ended February 1, 1992 compared with the corresponding periods in the prior year. On a comparable store and comparable week basis, sales decreased 3.4% and .5% in the quarter and six months periods. Sales were adversely affected by the further erosion in consumer confidence due to the national economic recession, depressed economic conditions in Macy's key markets in the Northeast and California, and the disruption in the normal receipt of merchandise during the period surrounding the Chapter 11 filings.

Cost of goods sold, including occupancy and buying costs, as a percentage of sales were 81.7% and 75.4% for the quarter and six months ended February 1, 1992 compared with 69.1% and 68.2% for the quarter and six months ended February 2, 1991. The unfavorable percentage variations is primarily related to additional markdowns recorded (10.7% and 7.3% of sales in the quarter and six months ended February 1, 1992) as a result of the disappointing holiday selling season.

Selling, general and administrative expenses, as a percentage of sales, were 28.7% and 30.4% for the quarter and six months ended February 1, 1992 compared with 22.6% and 24.7% for the quarter and six months ended February 2, 1991. Selling, general and administrative expenses as a percentage of sales would have been 26.3% and 27.7% of sales without the effects of the Receivable Transaction for the quarter and six months ended February 1, 1992. The percentage increase other than the portion attributable to the Receivable Transaction was primarily the result of higher sales promotion expenses (1.6% and 1.7% of sales for the quarter and six month periods).

Operating profit (loss) defined as net retail sales less cost of goods sold, including occupancy and buying costs, and selling, general and administrative expenses was a loss of $214,875,000 and $212,168,000 for the quarter and six months ended February 1, 1992 compared with an operating profit of $182,503,000 and $263,808,000 for the quarter and six months ended February 2, 1991. The operating loss for the quarter and six months ended February 1, 1992 was primarily a result of lower than anticipated sales and the related decision to take additional markdowns. Operating profit includes a charge for depreciation and amortization expense (non-cash expenses) of $73,083,000 and $142,722,000 for the quarter and six months ended February 1, 1992 and $71,698,000 and $143,045,000 for the quarter and six months ended February 2, 1991.

The unusual items in the quarter ended February 1, 1992 primarily relate to the write-off of remaining excess of cost over fair value of the net assets acquired during the 1986 Acquisition and the 1988 acquisition of the New Divisions, ($241,452,000) and the costs incurred for Macy's East-West organizational realignment (See Note 8 of Notes to the Condensed Consolidated Financial Statements). The unusual items in the six months ended February 1, 1992 include (a) the write-off of remaining excess of cost over fair value of the net assets acquired during the 1986 Acquisition and the 1988 acquisition of the New Divisions, (b) the costs incurred in the East-West organizational realignment and (c) the costs incurred in the one-time liquidation of certain aged inventory in temporary inventory liquidation facilities during the quarter ended November 2, 1991. This event was a result of Macy's modification in inventory management policy for the department stores which led to the establishment of its new inventory closeout operation, Macy's Closeout.

Interest expense-net decreased by $109,382,000 and $161,853,000 for the quarter and six months ended February 1, 1992 compared with the corresponding periods in the prior year. The decrease in interest expense is primarily due to the Receivable Transaction, the repurchase of subordinated indebtedness in the prior year and the revaluation of interest recorded on the participating mortgage loan.

Reorganization expenses in the quarter and six months ended February 1, 1992 primarily relate to (a) the estimated costs associated with the closing of certain stores ($76,000,000), (b) the write-off of deferred debt expenses associated with the unsecured long-term debt ($16,307,000) and (c) the write-off of Preferred Stock issuance costs ($8,280,000).

The extraordinary gain in the quarter and six months ended February 2, 1991 primarily relates to the gain on the repurchase of subordinated indebtedness by the registrant or a subsidiary at a discount, net of income tax expense.

Effective income tax rates for the quarter and six months ended February 2, 1991 were each 42% of loss before income tax benefit prior to certain expenses arising from purchase accounting adjustments which are non-deductible for tax purposes. Under current accounting rules, an income tax benefit cannot be recognized for the loss incurred in the quarter and six months ended February 1, 1992 because the benefit is not expected to be recovered as an income tax cash refund or savings currently or in the near future.

Financial Condition

As a result of the Chapter 11 filings, Macy's liquidity position has been positively affected because the cash requirements for the payment of scheduled principal payments, accrued interest, accounts payable and other liabilities, which arose prior to the Chapter 11 filings are in most cases deferred until a plan of reorganization is approved by the Bankruptcy Court. For financial statement purposes and conservatism only, interest expense on secured debt will continue to be accrued but is subject to settlement. No determination has been made regarding the value of the property interests which secure certain debt and consequently, whether or not interest thereon will be paid. Macy is also reviewing all future obligations under all store and equipment leases, as well as all other executory contracts to determine whether they should be assumed or rejected subject to Bankruptcy Court approval.

On January 29, 1992, the Bankruptcy Court entered an interim order approving the debtor-in-possession financing arrangement (the "Post-Petition Credit Agreement") dated as of January 27, 1992, among the registrant, as Borrower, each of the other Macy Debtors as guarantors, Chemical Bank, as administrative agent, and Bankers Trust Company as co-agent, and other financial institutions to become parties thereto ("the Post-Petition Lenders") that established, a revolving credit facility in the maximum amount of $600,000,000, (the "Working Capital Facility"). This interim order limited the registrant's borrowing thereunder to $60,000,000; a subsequent order was entered on February 13, 1992 authorizing the Company to borrow up to the entire $600,000,000 available under the Working Capital Facility. Borrowings under the Working Capital Facility may be used to fund working capital, inventory purchases, capital expenditures and for other general corporate purposes of the Macy Debtors. The Post-Petition Credit Agreement includes restrictions on capital expenditures and certain other payments, as well as a covenant relating to minimum cash flow.

Under the Post-Petition Credit Agreement, the Post-Petition Lenders agree to make revolving loans to, and to issue letters of credit for Macy in an amount not exceeding at any time the lesser of the Borrowing Base (as defined in the Post-Petition Credit Agreement) and $600,000,000. The Working Capital Facility includes a sublimit of which $250,000,000 for standby and documentary letters of credit, of which no more than $30,000,000 may be utilized for standby letters of credit. Each subsidiary of the registrant that commenced a Chapter 11 case is a guarantor of the registrant's obligations under the Post-Petition Credit Agreement.

The Post-Petition Credit Agreement provides that advances made under the Working Capital Facility will bear interest at a rate of 1.5% percent per annum in excess of Chemical Bank's Alternative Base Rate, ("ABR"), or at the registrant's option, a rate of 2.5% per annum in excess of the reserve adjusted London Interbank Offered Rate ("LIBOR") for interest periods of one, three, or six months. Interest on ABR loans and three and six month LIBOR loans are payable quarterly in arrears; and interest on one month LIBOR loans are payable monthly in arrears.

Under the Post-Petition Credit Agreement, Macy pays a commitment fee of 1/2 of 1% per annum on the unused portion of the Working Capital Facility, a letter of credit fee equal to 2% per annum of average outstanding letters of credit and certain other fees. The Post-Petition Credit Agreement expires on the earlier of February 28, 1994 or the substantial consummation of a plan of reorganization which is confirmed pursuant to an order entered by the Bankruptcy Court. Under the Post-Petition Credit Agreement, the Post-Petition Lenders were granted a superpriority claim for all obligations of the Macy Debtors arising under the agreement.

Substantially all of Macy's pre-petition short and long-term debt at February 1, 1992 is in default of the terms of the applicable loan agreements and is subject to settlement under the reorganization process. For financial reporting purposes, those liabilities which are dependent upon the outcome of the Chapter 11 proceedings have been segregated and reclassified as "Obligations Subject to Settlement Under Reorganization Proceedings". Payment of certain pre-petition liabilities that were approved for payment by the Bankruptcy Court or are pending approval have been included in the appropriate liability captions.

Management believes the Working Capital Facility together with cash from operations and proceeds from asset dispositions should be adequate to cover working capital requirements and planned capital expenditures until the expiration of the Working Capital Facility. The adequacy of Macy's capital resources and long-term liquidity cannot be determined until a plan of reorganization is developed and confirmed by the Bankruptcy Court.

As of March 13, 1992, Macy has approximately $247,600,000 of short-term investments and $120,000,000 of standby Letters of Credit outstanding under the Working Capital Facility.

There has been a significant change in Macy's financial condition at February 1, 1992 compared to August 3, 1991. This is a result of the economic and financial conditions preceding the commencement of the Chapter 11 cases.

Fluctuations in certain balance sheet accounts between February 1, 1992 and August 3, 1991 reflect normal seasonal variations within the retail industry.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Commencement of Chapter 11 Proceedings

General. On January 27, 1992 the registrant and nine of its subsidiaries filed separate voluntary petitions for relief under Chapter 11, title 11 of the United States Code, as amended (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). On January 31, 1992, seventy-eight additional subsidiaries of Macy filed similar petitions in the Bankruptcy Court under Chapter 11 of the Bankruptcy Code. A complete list of the registrant's subsidiaries that filed such petitions (which, together with the registrant, are referred to herein as the "Macy Debtors") is set forth in Exhibit 28.1 to the registrant's current report on Form 8-K dated February 5, 1992, as amended under cover of Form 8 dated February 7, 1992, and is incorporated herein by reference. The cases of the Debtors are being jointly administered under Chapter 11 Case No. 92 B 40477(BRL) (Jointly Administered) (the "Chapter 11 Case").

The following discussion sets forth certain aspects of the Chapter 11 Case, but is not intended to be an exhaustive summary. For additional information regarding the effect of the Chapter 11 Case on the Macy Debtors, reference should be made to the Bankruptcy Code.

Chapter 11 Reorganization Under the Bankruptcy Code. Pursuant to Section 362 of the Bankruptcy Code, the commencement of the Chapter 11 Case created an automatic stay, applicable generally to creditors and other parties in interest, of: (i) the commencement or continuation of a judicial, administrative or other action or proceeding against the Macy Debtors that was or could have been commenced prior to commencement of the Chapter 11 Case, or to recover for a claim that arose prior to commencement of the Chapter 11 Case; (ii) the enforcement against the Macy Debtors or their property of any judgments obtained prior to commencement of the Chapter 11 Case; (iii) the taking of any action to obtain possession of property of the Macy Debtors or to exercise control over property of the Macy Debtors; (iv) the creation, perfection or enforcement of any lien against the property of the Macy Debtors' bankruptcy estates; (v) any act to create, perfect or enforce against property of the Macy Debtors any lien that secures a claim that arose prior to the commencement of the Chapter 11 cases; (vi) the taking of any action to collect, assess or recover claims against the Macy Debtors that arose before commencement of the Chapter 11 Case; (vii) the setoff of any debt owing to the Macy Debtors that arose prior to commencement of the Chapter 11 Case against any claim against the Debtors; or (viii) the commencement or continuation of a proceeding before the United States Tax Court concerning any of the Macy Debtors. Any entity may apply to the Bankruptcy Court, upon an appropriate showing of cause for relief from the automatic stay to exercise the foregoing remedies.

The Macy Debtors are authorized to operate their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

On February 4, 1992, an official committee of unsecured creditors was appointed by the United States Trustee and is acting in the Chapter 11 Casa. Additionally, the United States Trustee on that day also appointed an official committee of bondholders of the registrant. Each committee is expected to participate in the formulation of any plan or plans of reorganization. The Macy Debtors are required to pay certain expenses of these committees, including professional fees, to the extent allowed by the Bankruptcy Court.

See Note 2 of Notes to the Condensed Consolidated Financial Statements relating to post-petition financing to the Macy Debtors.

Plan of Reorganization - Procedures. Under Section 1121 of the Bankruptcy Code, for 120 days after the date of the filing of a voluntary petition for relief under Chapter 11, only the debtor-in-possession has the right to propose and file a plan of reorganization with the Bankruptcy Court. If a debtor-in-possession files a plan of reorganization during the 120-day exclusivity period, no other party may file a plan of reorganization until 180 days after the date of filing of the Chapter 11 petition, during which period the debtor-in-possession has the exclusive right to solicit acceptances of the plan. If a debtor-in-possession fails to file a plan during the 120-day exclusivity period or such additional period as may be ordered by the Bankruptcy Court or, after such plan has been filed, fails to obtain acceptance of such plan from impaired classes of creditors and equity security holders during the exclusive solicitation period, any party in interest, including a creditors' committee, an equity security holders' committee, a creditor, an equity security holder, or any indenture trustee may file a plan of reorganization for such debtor. Additionally, if the Bankruptcy Court were to appoint a trustee, the exclusivity period, if not previously terminated, would terminate.

After a plan of reorganization has been filed with the Bankruptcy Court, it will be sent, together with a disclosure statement approved by the Bankruptcy Court following a hearing, to members of all classes of impaired creditors and equity security holders for acceptance or rejection. Following acceptance or rejection of any plan by impaired classes of creditors and equity security holders, the Bankruptcy Court after notice and a hearing would consider whether to confirm the plan. Among other things, to confirm a plan the Bankruptcy Court is required to find (i) with respect to each impaired class of creditors and equity security holders, that each holder of a claim or interest of such class either (a) will, pursuant to the plan, receive or retain property of a value, as of the effective date of the plan, that is at least as much as such holder would have received in a liquidation on such date of the Macy Debtors, or (b) has accepted the plan, (ii) with respect to each class of claims or equity security holders, that such class has accepted the plan or such class is not impaired under the plan and (iii) confirmation of the plan is not likely to be followed by the liquidation or need for further financial reorganization of the Macy Debtors or any successors unless such liquidation or reorganization is proposed in the plan.

If any impaired class of creditors or equity security holders does not accept a plan and assuming that all of the other requirements of section 1129(a) of the Bankruptcy Code are met, the proponent of the plan may invoke the so-called "cramdown" provisions of section 1129(b) of the Bankruptcy Code. Under these provisions, the Bankruptcy Court may confirm a plan, notwithstanding the non-acceptance of the plan by an impaired class of creditors or equity security holders, if certain requirements of the Bankruptcy Code are met, including that (i) the plan does not discriminate unfairly and (ii) the plan is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted the plan. As used in the Bankruptcy Code, the phrases "discriminate unfairly" and "fair and equitable" have narrow and specific meanings unique to bankruptcy law.

Bankruptcy Court Proceedings Relating to GECC/Monogram Receivable Transaction: On January 27, 1992, the Bankruptcy Court provisionally approved the assumption of the GECC/Monogram program agreements by certain of the Macy Debtors and certain amendments and related agreements thereto, subject to the right of other parties in interest to file objections and to review such relief (the "Initial Order"). On February 11, 1992, a hearing was held in the Bankruptcy Court to consider certain objections to the Initial Order. At such hearing, the Court afforded additional time to parties in interest to review certain of the arrangements and relief provided in the Initial Order. The various parties in interest are continuing negotiations regarding the terms and conditions of a final order or other requests for relief to be submitted for approval of the Bankruptcy Court. The Initial Order remains in effect pending entry of such Supplemental Order and any further relief provided by the Court. The failure of a resolution of the foregoing proceedings to GECC's satisfaction may result in a termination, in the absence of the registrant's obtaining a comparable arrangement, could have a material adverse effect on the registrant. GECC/Monogram is continuing to make remittances to the Macy Debtors and service credit card accounts, and to establish new credit card account relationships with, and to extend credit to, customers of the Macy Debtors pursuant to the terms of the applicable agreements.

Other Legal Matters

As most recently reported in Item 1 of Part II of the registrant's quarterly report on Form 10-Q for the fiscal quarter ended November 2, 1991, four essentially identical proposed class actions were commenced in April and May 1989, in the Supreme Court of the State of New York, County of New York, alleging that the registrant and Campeau Corp., in violations of the Donnelly Act (New York General Business Law, Section 340 (1)), engaged in a combination and conspiracy to refrain from bidding against each other for the purchase of the common stock of Federated Department Stores, Inc. in 1988. In addition, the plaintiffs alleged common law claims of tortious interference with prospective economic advantage, promissory estoppel, and breach of an implied covenant of good faith and fair dealing. The plaintiffs sought actual damages in an unspecified amount, together with treble damages as to the Donnelly Act claims and costs of suit, including attorneys' fees, for themselves and a proposed class of all persons similarly situated. Case v. R. H. Macy & Co., Inc. ("R. H. Macy") et al., D. Kahn v. R. H. Macy, et al., Rodenberg v. R. H. Macy, et al., and H. Kahn v. R. H. Macy, et al. In a decision and order entered in May 1990 the Court dismissed

these four consolidated actions in their entirety. The plaintiffs appealed and on October 10, 1991 the Appellate Division, First Judicial Department, unanimously affirmed the dismissal. In November 1991, the plaintiffs moved for leave to appeal this decision to the New York Court of Appeals, and on January 16, 1992, the Court denied the motion.

Item 2. Changes in Securities

None.

Item 3. Defaults Upon Senior Securities

The filing by the registrant on January 27, 1992 of a voluntary petition for relief under Chapter 11 of the Bankruptcy Code constituted a default under the terms of substantially all of the registrant's loan agreements, notes, indentures and debentures. See Note 2 of Notes to the Condensed Consolidated Financial Statements.

The registrant has never declared dividends on any series of its Convertible Preferred Stock; however, from the date of initial issuance of each of the existing three series of such Preferred Stock, dividends have been accrued quarterly at the rate of 8% per year on each such series. As of January 27, 1992, the registrant has discontinued accruing such dividends since the right of the holders of Convertible Preferred Stock to receive any dividends for periods ending after the petition date cannot be determined until a plan of reorganization is confirmed. As of January 27, 1992, there were 13,004,301 shares of Convertible Preferred Stock outstanding.

Item 4. Submission of Matters to a Vote of Security Holders

As previously reported in Item 4 of Part II of the registrant's quarterly report on Form 10-Q for the fiscal quarter ended November 2, 1991, the procedures relating to the election of 16 Directors of the registrant (which were initiated during such first fiscal quarter) were completed by written consent of stockholders as of November 18, 1991. See also Item 5 below.

Item 5. Other Information

Mark S. Handler, President of the registrant, has been named as chief merchandising officer and Myron E. Ullman, III, Vice Chairman of the Board of Directors of the registrant, has been named as chief operating officer.

On January 23, 1992, Harold D. Kahn resigned as a Director of the registrant and Rose Marie Bravo, Chairman of I. Magnin, Inc., a subsidiary of the registrant, was elected that day by the Board of Directors to fill this vacancy. Ms. Bravo resigned on January 27, 1992 effective upon the filing of the registrant's voluntary petition for relief under Chapter 11 of the Bankruptcy Code; under the form of By-Laws of the registrant which became effective upon that Chapter 11 filing, the number of directors changed from 16 to 15.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	Exhibits
11	Computation of net loss per share and fully diluted net loss per share.
19.1	(Post-Petition) Revolving Credit and Guaranty Agreement dated as of January 27, 1992 among R. H. Macy & Co., Inc. ("Borrower") as debtor and debtor-in-possession, certain subsidiaries of the registrant as Guarantors, as debtors and debtors-in-possession, the Banks parties thereto, Chemical Bank as Administrative Agent and Bankers Trust Company, as Co-Agent (the "Post-Petition Credit Agreement").
19.2	First Amendment dated as of February 6, 1992 to the Post-Petition Credit Agreement.
19.3	Second Amendment dated as of February 13, 1992 to the Post-Petition Credit Agreement.
19.4	Third Amendment dated as of March 5, 1992 to the Post-Petition Credit Agreement.
19.5	Agreement with a current director-executive officer.
19.6	Amendment dated January 27, 1992 to Credit Card Program Agreement and Commercial Accounts Agreement between Monogram Bank, USA and General Electric Capital Corporation and R. H. Macy & Co., Inc. and certain subsidiaries.
19.7	Supplemental life insurance plan for certain directors, executive officers and certain other executive employees effective October 1, 1980 and as amended through January 27, 1992 (summary description).

(b) Reports on Form 8-K

During the most recently completed fiscal quarter ended February 1, 1992, the registrant did not file a current report on Form 8-K. On February 6, 1992, the registrant filed a current report on Form 8-K dated February 5, 1992, as amended under cover of Form 8 dated February 7, 1992 and filed February 12, 1992, relating to the filings by the registrant and certain of its subsidiaries of voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

R. H. Macy & Co., Inc.
(Registrant)

Date: March 16, 1992

By: _____
Diane P. Baker
Senior Vice President -
Finance
(Principal Financial Officer)

R. H. MACY & CO., INC.

Exhibit 11

AND CONSOLIDATED SUBSIDIARIES
(DEBTORS-IN-POSSESSION)

COMPUTATION OF NET LOSS PER SHARE AND

FULLY DILUTED NET LOSS PER SHARE
(Dollars and shares in thousands, except per share)
(Unaudited)

	For the Quarter Ended		For the Six Months Ended		Pro forma For the Quarter Ended	Pro forma For the Six Months Ended
	February 1, 1992 (13 weeks)	February 2, 1991 (14 weeks)	February 1, 1992 (26 weeks)	February 2, 1991 (27 weeks)	February 2, 1991 (14 weeks)	February 2, 1991 (27 weeks)
NET EARNINGS/(LOSS) PER SHARE:						
Net earnings/(loss) applicable to common stock:						
Net loss before extraordinary gain	$ (671,575)	$ (7,296)	$ (826,931)	$ (73,999)	$ (6,948)	$ (77,911)
Less:						
Dividends on preferred stock	(9,322)	(7,432)	(19,302)	(13,670)	(7,432)	(13,670)
Accretion on preferred stock	(166)	(177)	(344)	(354)	(177)	(354)
Net loss before extraordinary gain applicable to common stock	(681,063)	(14,905)	(846,577)	(88,023)	(14,557)	(91,935)
Extraordinary gain, net	-	85,337	-	95,502	85,337	95,502
Net earnings/(loss) applicable to common stock	$ (681,063)	$ 70,432	$ (846,577)	$ 7,479	$ 70,780	$ 3,567
Number of weighted average shares of common stock outstanding	1,631	1,634	1,633	1,634	1,634	1,634
Net earnings/(loss) per share:						
Net loss before extraordinary gain	$ (417.57)	$ (9.12)	$ (518.42)	$ (53.87)	$ (8.91)	$ (56.26)
Extraordinary gain, net	-	52.22	-	58.45	52.22	58.45
Net earnings/(loss)	$ (417.57)	$ 43.10	$ (518.42)	$ 4.58	$ 43.31	$ 2.19

R. H. MACY & CO., INC.

Exhibit 11

AND CONSOLIDATED SUBSIDIARIES
(DEBTORS-IN-POSSESSION)

COMPUTATION OF NET LOSS PER SHARE AND

FULLY DILUTED NET LOSS PER SHARE
(Dollars and shares in thousands, except per share)
(Unaudited)

	For the Quarter Ended		For the Six Months Ended		Pro forma For the Quarter Ended	Pro forma For the Six Months Ended
	February 1, 1992 (13 weeks)	February 2, 1991 (14 weeks)	February 1, 1992 (26 weeks)	February 2, 1991 (27 weeks)	February 2, 1991 (14 weeks)	February 2, 1991 (27 weeks)
FULLY DILUTED NET EARNINGS/(LOSS) PER SHARE:						
Net loss before extraordinary gain	$ (671,575)	$ (7,296)	$ (826,931)	$ (73,999)	$ (6,948)	$ (77,911)
Extraordinary gain, net	-	85,337	-	95,502	85,337	95,502
Net earnings/(loss)	$ (671,575)	$ 78,041	$ (826,931)	$ 21,503	$ 78,389	$ 17,591
Number of weighted average shares of common stock outstanding on a fully diluted basis:						
Shares of common stock outstanding at beginning of period	1,634	1,634	1,634	1,634	1,634	1,634
Shares of common stock resulting from conversion of preferred shares (weighted average)	13,004	9,492	13,004	8,575	9,492	8,575
Shares of common stock reacquired during the period (weighted average)	(3)	-	(1)	-	-	-
Number of weighted average shares of common stock outstanding on a fully diluted basis	14,635	11,126	14,637	10,209	11,126	10,209
Fully diluted net earnings/(loss) per share:						
Net loss before extraordinary gain	$ (45.89)	$ (0.66)	$ (56.50)	$ (7.25)	$ (0.62)	$ (7.63)
Extraordinary gain, net	-	7.67	-	9.36	7.67	9.36
Net earnings/(loss)	$ (45.89)	$ 7.01	$ (56.50)	$ 2.11	$ 7.05	$ 1.73